



STATE OF DELAWARE

OFFICE OF AUDITOR OF ACCOUNTS

R. THOMAS WAGNER, JR., CGFM, CFE
AUDITOR OF ACCOUNTS

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April 18, 2006

The Honorable Valerie A. Woodruff
Secretary
Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Ronald R. Russo, J.D.
Principal
Charter School of Wilmington
100 North duPont Road
Wilmington, DE 19807-3199

Dear Secretary ~~Woodruff~~ and Ronald ~~Russo~~, J.D.:

SUBJECT: FINAL REPORT ON CHARTER SCHOOL OF WILMINGTON

We have completed an agreed-upon procedures attestation engagement of Charter School of Wilmington. The engagement included student accounting and enrollment. The purpose of the engagement was to determine the School's compliance with specific laws and to report findings as a result of procedures performed.

I trust the information contained therein will be helpful and informative.

Sincerely,

OFFICE OF ~~AUDITOR~~ OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE
Auditor of Accounts

RTW:LLS:CLF
Enclosure

**STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS**

**CHARTER SCHOOL OF WILMINGTON
AGREED-UPON PROCEDURES
ATTESTATION ENGAGEMENT**

**STUDENT ACCOUNTING AND ENROLLMENT AS OF
September 30, 2005**



**R. THOMAS WAGNER, JR., CGFM, CFE
AUDITOR OF ACCOUNTS**



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PHONE: (302) 739-4241
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Independent Auditor's Report
on Applying Agreed-Upon Procedures

The Honorable Valerie A. Woodruff
Secretary
Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Ronald R. Russo, J.D.
Principal
Charter School of Wilmington
100 North duPont Road
Wilmington, DE 19807-3199

Dear Secretary Woodruff and Ronald R. Russo, J.D.:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and Charter School of Wilmington. The procedures were performed solely to assist the specified parties in evaluating the School's compliance and the effectiveness of the School's internal control over compliance with State laws and regulations in regard to Student Accounting and Enrollment. Procedures were performed for Student Accounting and Enrollment as of September 30, 2005. Management of the School is responsible for the School's compliance with those requirements.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards* (2003), issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures are as follows:

- Determined if the Charter School's policies and procedures for preparing, reviewing and reporting the September 30th student count are adequate.
- Determined if the Charter School reported the correct number of eligible students to the Department of Education (DOE) and calculated the dollar impact of disallowed students, if applicable.

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Ronald R. Russo, J.D.
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- Selected ten percent (or a minimum of five) "Individualized Education Program" (IEP) files at the Charter School and verified that each file contained the required documentation in accordance with DOE's Administrative Manual for Special Education Services and calculated the dollar impact of disallowed students, if applicable.
- Selected ten percent (or a minimum of five) student files enrolled in the Cooperative Education Program and Diversified Occupation Programs and confirmed that the students' files contained required documentation in accordance with the DOE's Administrative Directives. Calculate the dollar impact of disallowed students, if applicable.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of DOE and the School and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Comptroller General, Attorney General, Office of Management and Budget, and the Department of Finance.

Sincerely,

OFFICE OF AUDITOR OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE
Auditor of Accounts

RTW:LLS:CLF

Engagement fieldwork completed
February 1, 2006

SCHEDULE OF FINDINGS

Procedure Agreed Upon #1

Determined if the Charter School's policies and procedures for preparing, reviewing and reporting the September 30th student count are adequate.

Finding

The School does not have sufficient written internal policies and procedures governing the preparation, review and reporting of the September 30th student count.

The State of Delaware Budget and Accounting Policy Manual states, "Department or agency heads are responsible for establishing and maintaining an effective system of internal control." Additionally, the manual states, "Internal control provides management with reasonable assurance that its policies and procedures are implemented and consistently followed to ensure efficient and effective organizational operation." Further, the manual states, "A well designed system of controls must include written policies and procedures to ensure that each control objective is met."

The School utilizes written September 30th procedures, however they are not sufficient to ensure the completeness, accuracy, and timelines of the student enrollment count. Lack of sufficient policies and procedures may result in an inaccurate student count at September 30th.

Recommendation

The School should further develop and implement in-house written policies and procedures governing the preparation, review, and reporting of the September 30th student enrollment figures to DOE. These policies and procedures should incorporate information such as:

- Attendance taking methodology
- Verification of attendance by teachers and upper level administrator
- Gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound, placement in an alternative education setting, engineering, etc.)
- How the School ensures that required information is included on IEP's (necessary signatures, goals, benchmarks, and objectives, etc.)
- Reference to pertinent rules and regulations stipulated by DOE and/or Delaware Code
- Record retention policy

Auditee Response

The School agrees with the finding and will develop written policies and procedures for the September 30th count.

DISTRIBUTION OF REPORT

Copies of the School's Agreed-upon Procedures Attestation Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Jennifer Davis, Budget Director, Office of Management and Budget

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable C. Carl Danberg, Attorney General, Office of the Attorney General

Other

Ms. Jean W. Allen, President, State Board of Education
Ms. Dorcell S. Spence, Associate Secretary of Education, Finance and Administrative Services Branch, Department of Education
Mr. Jerry Gallagher, Director, Financial Management, Department of Education
Mr. Walter Konek, Accountant V, Department of Finance
Mr. Raymond Siegfried, Chairperson, Board of Education, Charter School of Wilmington

This report is also available at no charge on the Office of Auditor of Accounts website at www.state.de.us/auditor/index.htm or by requesting a copy in writing to:

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